

Chalet Hotels Limited

(Formerly known as Chalet Hotels Private Limited)

Regd. Office: Raheja Tower, Plot No. C-30, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400051.

CIN: L55101MH986PLC038538

Tel: +91-22-26564000 Fax: +91-22-26565451

Email : companysecretary@chalet-hotels.com Website: www.chalet-hotels.com

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Members of Chalet Hotels Limited (the 'Company') will be held on Tuesday, August 13, 2019 at 3.00 p.m. at Boundary Hall, First Floor, MCA Recreation Centre, RG-2, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051, to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS:

To consider and adopt:

- the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon; and
- the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the report of the Auditors thereon.

2. RE-APPOINTMENT OF MR. SANJAY SETHI (DIN: 00641243) AS A DIRECTOR OF THE COMPANY, LIABLE TO RETIRE BY ROTATION:

To appoint a Director in place of Mr. Sanjay Sethi (DIN: 00641243), who retires by rotation and being eligible, offers himself for re-appointment.

3. RE-APPOINTMENT OF MR. RAJEEV NEWAR (DIN: 00468125) AS A DIRECTOR OF THE COMPANY, LIABLE TO RETIRE BY ROTATION:

To appoint a Director in place of Mr. Rajeev Newar (DIN: 00468125), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. APPROVAL OF REMUNERATION OF MR. SANJAY SETHI (DIN:00641243) AS MANAGING DIRECTOR & CEO IN EXCESS OF THE LIMITS PRESCRIBED UNDER COMPANIES ACT, 2013:

To consider and if thought fit, to approve with or without modification(s), the following resolution as a **Special Resolution**:

"WHEREAS the Members at the Annual General Meeting held on June 13, 2018 had accorded approval for appointment and payment of remuneration to Mr. Sanjay Sethi (DIN: 00641243) Managing Director & CEO (hereinafter referred to as MD or Managing Director) for a period of 3 (three) years w.e.f. February 09, 2018, as set out in the explanatory statement which forms a part of this resolution, subject to the conditions prescribed as per the provisions of Sections 197, 198 of the Companies Act 2013 ('the Act'), and other applicable provisions, if any, of the Act read with Schedule V including any

statutory amendments, modifications or re-enactments thereof, as may be made thereto and for the time being in force, that the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of 5% of the net profits of the Company as applicable to each of the Managing Director/ Whole-time Director of the Company and/or 10% of the net profits of the Company for all Managing Directors/Whole-time Directors taken together.

AND WHEREAS the Members at the Annual General Meeting held on June 13, 2018 had accorded approval for grant of 200,000 options exercisable into 200,000 Equity Shares, in tranches over a period of 3 (three) years under the Scheme known as 'Chalet Hotels Limited - Employee Stock Option Plan 2018 (ESOP)' to Mr. Sanjay Sethi, Managing Director, to be vested/exercised in the manner as set out therein.

AND WHEREAS the remuneration paid to Mr. Sanjay Sethi in his capacity as Managing Director of the Company for the Financial Year 2018-19 amounts to ₹ 32,837,240 (exclusive of ESOP expense of ₹ 14,639,977), which is in excess of the statutory limits prescribed under the Act.

RESOLVED THAT approval of the Members be and is hereby accorded to payment of remuneration as mentioned hereinabove to Mr. Sanjay Sethi, Managing Director of the Company for the Financial Year 2018-19, which is in excess of the statutory limits prescribed under the Act.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 196, 197 and 198 read together with Schedule V of the Act or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year during the residual period of appointment of Mr. Sanjay Sethi, Managing Director, the salary, perquisites and statutory benefits, more particularly as approved by the Members at the Annual General Meeting on June 13, 2018, (as more particularly set out in the explanatory statement which forms a part of this resolution), be paid as minimum remuneration with the liberty to the Board/Committee to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Managing Director and subject to receipt of requisite approvals, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company, Mr. Vijay Kumar Gupta, Associate Vice President - Legal & Secretarial and Ms. Christabelle Baptista, Company Secretary be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory

or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution, including filing of the necessary forms with the Ministry of Corporate Affairs and intimating any other concerned authority or such other regulatory body and for matters connected therewith or incidental thereto."

5. APPROVAL OF REMUNERATION OF MR. RAJEEV NEWAR (DIN:00468125) AS EXECUTIVE DIRECTOR & CFO OF THE COMPANY IN EXCESS OF THE LIMITS PRESCRIBED UNDER COMPANIES ACT, 2013

To consider and if thought fit, to approve with or without modification(s), the following resolution as a Special Resolution:

"**WHEREAS** the Members at the Annual General Meeting held on September 22, 2017 had accorded approval for appointment and payment of remuneration to Mr. Rajeev Newar (DIN: 00468125), Executive Director & CFO (hereinafter referred to as ED or Executive Director) for a period of 3 (three) years w.e.f. August 3, 2017, as set out in the explanatory statement which forms a part of this resolution, subject to the conditions prescribed as per the provisions of Sections 197, 198 of the Companies Act 2013 ('the Act'), and other applicable provisions, if any, of the Act read with Schedule V including any statutory amendments, modifications or re-enactments thereof, as may be made thereto and for the time being in force, that the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of 5% of the net profits of the Company as applicable to each of the Managing Director/ Whole-time Director of the Company and/or 10% of the net profits of the Company for all Managing Directors/Whole-time Directors taken together.

AND WHEREAS the remuneration paid to Mr. Rajeev Newar in his capacity as Executive Director of the Company for the Financial Year 2018-19 amounts to ₹ 19,101,464, which is in excess of the statutory limits prescribed under the Act.

RESOLVED THAT approval of the Members be and is hereby accorded to payment of remuneration as mentioned hereinabove, to Mr. Rajeev Newar, Executive Director of the Company for the Financial Year 2018-19, which is in excess of the statutory limits prescribed under the Act.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 196, 197 and 198 read together with Schedule V of the Act or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year during the residual period of appointment

of Mr. Rajeev Newar, Executive Director, the salary, perquisites and statutory benefits, as approved by the Members at the Annual General Meeting held on September 22, 2017 and June 13, 2018 (as more particularly set out in the explanatory statement which forms a part of this resolution), be paid as minimum remuneration with the liberty to the Board/Committee to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Executive Director and subject to receipt of requisite approvals, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company, Mr. Vijay Kumar Gupta, Associate Vice President - Legal & Secretarial and Ms. Christabelle Baptista, Company Secretary be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution, including filing of the necessary forms with the Ministry of Corporate Affairs and intimating any other concerned authority or such other regulatory body and for matters connected therewith or incidental thereto."

By Order of the Board of Directors
For Chalet Hotels Limited

Christabelle Baptista
Company Secretary
ACS No: 17817

Place: Mumbai
Date: May 10, 2019

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") relating to the Special Business under Item No. 4 and 5 to be transacted at the Annual General Meeting (AGM/Meeting) is annexed hereto.
2. Details required under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and pursuant to the provisions of the Secretarial Standard on General Meetings (SS-2), the relevant information in respect of the Directors seeking re-appointment at the AGM is attached as Annexure and forms an integral part of this Notice.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Proxy in the prescribed form (i.e. Form No. MGT-11) as enclosed herewith, in order to

be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not later than 48 (Forty Eight) hours before the commencement of the Meeting.

4. A person can act as proxy on behalf of Members up to and not exceeding 50 (fifty) and holding in aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights. Proxies submitted on behalf of Corporate Members must be supported by an appropriate resolution/authority, as applicable.
5. A Member holding more than 10% (Ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.
6. Corporate Members are requested to send duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting pursuant to Section 113 of the Act.
7. The Register of Directors and Key Managerial Personnel(s) and their shareholding maintained under Section 170 of the Act, will be made available for inspection by the Members at the AGM.
8. Certificate from BSR & Co LLP, Statutory Auditors of the Company with respect to implementation of Employee Stock Option Scheme, as required under the SEBI (Share Based Employee Benefits) Regulations, 2014, will be made available for inspection at the Registered Office of the Company
9. Pursuant to Section 91 of the Act, and Rule 10 of the Companies (Management and Administration), Rules, 2014 read with the Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 7, 2019 to Tuesday, August 13, 2019 (both days inclusive).
10. Pursuant to Section 101 and Section 136 of the Act read with the relevant rules and thereunder, to support the "Green Initiative" announced by the Government of India, electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by e-mail to those Members whose e-mail address is registered either with the Company or with the Depository Participant(s), unless the member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies of aforesaid documents are being sent through the permitted mode.
11. Members seeking or requiring any clarification or information may send their requests to the Company at companysecretary@chalet-hotels.com.
12. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
13. Pursuant to the provisions of Section 72 of the Act, Members can avail themselves of the facility of nomination in respect of shares held by them in physical form. Members desiring to avail of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in, to the Company's Registrar & Transfer Agents (R & T Agents). Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
14. Members/ Proxies/Authorised representatives are requested to bring the Attendance Slip(s) duly filled in at the AGM.
15. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and public holidays) between 10.30 am to 12.30 pm upto the date of this AGM.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or to Karvy Fintech Private Limited (Karvy).
17. Members holding shares in physical mode are requested to register their e-mail address with Karvy and Members holding shares in demat mode are requested to register their e-mail addresses with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail address already registered with the Company, members are requested to immediately notify such change to Karvy in respect of shares held in physical form and to their respective DPs in respect of shares held in electronic form.
18. Members holding shares in physical mode are requested to register their e-mail address with Karvy and Members holding shares in demat mode are requested to register their e-mail addresses with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail address already registered with the Company, members are requested to immediately notify such change to Karvy in respect of shares held in physical form and to their respective DPs in respect of shares held in electronic form.

Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same free of cost. For any communication, the shareholders may also send requests to the Company at companysecretary@chalet-hotels.com.

Members may also note that this Notice and the Annual Report for the Financial Year 2018 - 2019 will be made available on the Company's website at www.chalet-hotels.com.

19. Voting through electronic means:

- i. In compliance with the provisions of Section 108 of the Act, the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide Members the facility to exercise their right to vote on resolutions proposed to be considered at

the AGM by electronic means either by (a) remote e-voting (by using the electronic voting system provided by Karvy or (b) electronically at the AGM venue. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

- ii. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Tuesday August 6, 2019 ('the cut-off date'), shall be entitled to vote in respect of the shares held, by availing the facility of remote e-voting / voting through electronic ballot at the meeting. Any person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- iii. The Members can opt for only one mode of voting i.e. either by remote e-voting or electronic ballot at the AGM. The Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM through electronic ballot. The Members who have cast their vote by remote e-voting are eligible to attend the AGM but shall not be entitled to cast their vote again.
- iv. The remote e-voting period commences on Friday, August 09, 2019 (9:00 a.m. IST) and ends on Monday, August 12, 2019 (5:00 p.m. IST). The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

A) Instructions for remote E-Voting:

In case a Member receiving an e-mail from Karvy [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and Password). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, Click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one uppercase (A-Z), one lowercase (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password

with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., Chalet Hotels Limited
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date i.e, Tuesday, August 6, 2019. You may also choose the option ABSTAIN. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either heads.
- viii. Members holding multiple folios/ demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Voting has to be done for each Resolution of the Notice of the 34th AGM separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify or change the votes cast. During the voting period, Members can login any number of times till they have voted on all the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail ID: avinash.bagul1959@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format CHALET HOTELS LIMITED_ EVENT NO. 4717"

B) Members receiving physical copy of the Notice:

In case of Members receiving physical copy of the Notice [for Members whose e-mail IDs are not registered with the Company/ Depository Participant(s)]:

- i. User ID and initial password as provided.
- ii. Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote by electronic means.

C) Voting at the Meeting:

The members, who have not cast their vote through Remote E-Voting can exercise their voting rights at the Meeting through Electronic voting system ("Insta poll") for all businesses specified in the accompanying Notice. Members who have already cast their votes by Remote E-Voting are eligible to attend the Meeting, however, those Members are not entitled to cast their vote again at the Meeting.

D) Other Instructions:

Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password in the manner mentioned below:

- i. where the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send an SMS: MYEPWD(E-Voting Event Number) + Folio No. or DP ID Client ID to 9212993399

- Example for NSDL: MYEPWD
IN12345612345678

- Example for CDSL: MYEPWD
1402345612345678

- ii. If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call Karvy's toll free number 1800-3454-001.
- iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose e-mail address is available.

20. General Instructions for Shareholders:

- a) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. Umesh Pandey, (Unit: Chalet Hotels Ltd.) of Karvy at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, or at evoting@karvy.com or phone no. 040 - 6716 2222 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications. .
- b) You can also update your mobile number and e-mail id in the user profile details of the

folio which may be used for sending future communication(s).

- c) The remote e-voting period commences on Friday, August 09, 2019 (9.00 A.M. IST) and ends on Monday, August 12, 2019 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, August 06, 2019, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d) The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut off date i.e. Tuesday, August 06, 2019.
- e) The route map to the AGM venue is given herein.

21. - The Company has appointed Mr. Avinash Bagul of Avinash Bagul & Associates, Practising Company Secretary, Mumbai, to act as the Scrutinizer to scrutinise the voting and remote evoting process in a fair and transparent manner and Mr. Avinash Bagul of Avinash Bagul & Associates, Practising Company Secretary, Mumbai, has communicated its willingness to be appointed and be available for the purpose.

- The Scrutiniser shall, immediately after the conclusion of voting at the Meeting, first count the votes cast at the meeting (Insta Poll), thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, and submit the same to the Chairman or a person authorised by him in writing who shall countersign the same. The Chairman or a person authorised by him in writing will declare the result of voting forthwith.

- The Results on resolutions shall be declared not later than 48 hours from the conclusion of the Meeting of the Company and the resolutions will be deemed to be passed on the Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions

- The Results declared along with the Scrutiniser's report will be available on the website of the Company (www.chalet-hotels.com) and on Service Provider's website (<https://evoting.karvy.com>) and the same shall be communicated to National Stock Exchange of India Limited and BSE Limited within 48 hours from the conclusion of the Meeting

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO. 4

Mr. Sanjay Sethi had been appointed as Managing Director & CEO of the Company for a period of three years w.e.f. February 9, 2018. The remuneration payable to him was recommended by the Remuneration Committee at their meeting held on February 09, 2018 by the Board at their meeting held on February 09, 2018 and approved by the shareholders at their Annual General Meeting held on June 13, 2018.

The Members at the Annual General Meeting held on June 13, 2018 had accorded approval for grant of 200,000 options exercisable into 200,000 Equity Shares under the Scheme known as 'Chalet Hotels Limited - Employee Stock Option Plan(ESOP) 2018' to Mr. Sanjay Sethi, Managing Director, to be vested/exercised in the manner as set out therein.

Brief resume of Mr. Sanjay Sethi: Mr. Sanjay Sethi holds a Diploma in Hotel Management, Catering and Nutrition from IHM Pusa. He has a rich experience of over 30 years of working in the Hotel Industry. For about 14 years, he had been working with Taj Group of Hotels at various locations in India. He was Managing Director & CEO of Berggruen Hotels.

Mr. Sanjay Sethi is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Agreement between Mr. Sanjay Sethi and the Company, setting out the terms of appointment is available for inspection at the registered office of the Company.

The Board recommends passing of the resolution as set out in Item No. 4 of this notice as a Special Resolution.

Except for Mr. Sanjay Sethi and his relatives, none of the other directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution.

Details of remuneration as approved by the shareholders at the meeting held on June 13, 2018 in respect of Mr. Sanjay Sethi is as follows:

| Remuneration: | The Managing Director is entitled to: |
|---------------------------|---------------------------------------|
| I. Basic Salary: | ₹12,540,000 per annum |
| II. House Rent Allowance: | ₹ 6,270,000 per annum |
| III. Flexi Balance: | ₹ 9,844,224 per annum |

iv. The Managing Director shall be entitled to the following perquisites and facilities:

- Transport Allowance: ₹ 1,236,000 per annum.
- Medical Reimbursement: ₹ 15,000 per annum
- Leave Travel Allowance: Upto a limit of ₹ 120,000 per annum.
- Supplementary Benefit: ₹ 416,400 per annum

- Provident Fund: 12% of the basic salary per annum
- Telephone Reimbursement: Upto a limit of ₹ 24,000 per annum.
- Bonus: ₹ 1,044,588 per annum.
- The Company shall pay or reimburse actual entertainment and travelling expenses incurred by the Managing Director in connection with the Company's business, and all the terms and conditions of his appointment and remuneration shall be governed by the HR Policy of the Company as amended from time to time.

V. The Managing Director shall be entitled to annual increments as may be decided by the Board

VI. Performance Bonus, as deemed fit, may be paid, at the discretion of the Company's Management.

VII. ESOP: 200,000 Options exercisable into 200,000 Equity Shares have been granted under the Scheme known as 'Chalet Hotels Limited - Employee Stock Option Plan 2018 (ESOP), to vest in tranches over a period of 3 (three) years.

ITEM NO. 5

Mr. Rajeev Newar had been appointed as Executive Director & CFO of the Company for a period of three years w.e.f. August 3, 2017. The remuneration payable to him was recommended by the Remuneration Committee at their meeting held on July 27, 2017, by the Board at their Meeting held on August 03, 2017 and approved by the shareholders at their Annual General Meeting held on September 22, 2017 and June 13, 2018.

Brief resume of Mr. Rajeev Newar:

Mr. Rajeev Newar holds a Bachelor's Degree in Commerce from University of Calcutta and he is also a Chartered Accountant and Company Secretary. He has over 27 years of experience, wherein he has held several leadership positions in Finance leading various functional and cross functional transformational initiatives, implementing Business Strategies and driving Digital Transformation.

Mr. Rajeev Newar is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Agreement between Mr. Rajeev Newar and the Company, setting out the terms of appointment is available for inspection during business hours at the registered office of the Company.

The Board recommends passing of the resolution as set out in Item No. 5 of this notice as a Special Resolution.

Except for Mr. Rajeev Newar and his relatives, none of the other directors, key managerial personnel and relatives of

directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution.

Details of remuneration as approved by the shareholders at the meetings held on September 22, 2017 and June 13, 2018 is as follows:

| | |
|---------------------------|--|
| A. Remuneration: | The Executive Director is entitled to: |
| I. Basic Salary: | ₹ 6,408,000 per annum |
| II. House Rent Allowance: | ₹ 3,204,000 per annum |
| III. Flexi Balance | ₹ 4,944,252 per annum |

IV. The Executive Director shall be entitled to the following perquisites and facilities:

- Transport Allowance: ₹ 1,116,000 per annum.
- Leave Travel Allowance: Upto a limit of ₹ 120,000 per annum
- Supplementary Benefit: ₹ 366,000 per annum.

- Provident Fund: 12% of the basic salary
- Telephone Reimbursement: Upto a limit of ₹ 24,000 per annum
- Bonus: ₹ 5,33,784 per annum.
- The Company shall pay or reimburse actual entertainment and travelling expenses incurred by the Executive Director in connection with the Company's business, and all the terms and conditions of his appointment and remuneration shall be governed by the HR Policy of the Company as amended from time to time.

V. The Executive Director shall be entitled to annual increments as may be decided by the Board.

Statement containing information as required to be attached to the Notice as prescribed under Section II of Part II to Schedule V to the Act:

I. General information:

| Nature of industry | Hospitality / Real Estate Development | | |
|---|---|--------------------|-------------------------|
| Date or expected date of commencement of commercial production | Not Applicable - the Company has already commenced its operations | | |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable | | |
| (4) Financial performance | Financial Performance for last 3 years is given as under: | | |
| | Sr. Financial Year | Gross Turnover | Profit/(Loss) after Tax |
| | No. | | |
| | 1 2016-17 | ₹ 7,118.04 million | ₹ 1,418.13 million |
| | 2 2017-18 | ₹ 8,155.80 million | (₹ 1,008.65) million |
| | 3 2018-19 | ₹ 9,871.73 million | (₹ 102.07) million |
| (5) Foreign investments or collaborations, if any. | 10.06% of the Equity Share Capital of the Company as on March 31, 2019 is held by non-resident Indians and foreign portfolio investors. There has been no foreign investments or collaborations by the Company. | | |

II. Information about the appointee:

| | | |
|------------------------|--|---|
| (1) Background details | Mr. Sanjay Sethi is a hotel management graduate from IHM Pusa. He is a Certified Hotel Administrator (CHA) from American Hotel and Lodging Educational Institute and has completed various management certifications from IIM-Bangalore, XLRI and Cornell. He has over 30 years of experience with leading Indian hotel chains, and across segments, in the hospitality industry. Prior to joining Chalet Hotels Limited, Mr Sethi set up Berggruen Hotels Private Limited in 2006 as Promoter, CEO and MD along with Berggruen Holdings, New York. He has worked with ITC Limited as Chief Operating Officer for their Hotels Division and The Indian Hotels Company Limited as a General Manager to their hotel properties and Area Director for their Hyderabad hotels. He's an active member and speaker to key industry bodies and events such as FHRAI and HICSA. During his tenure in IHCL he was a trained and certified assessor of Tata Group Companies. | Mr. Rajeev Newar holds a bachelor's degree in commerce from University of Calcutta and he is also a Chartered Accountant and Company Secretary. He has held several leadership positions in Finance leading various functional and cross functional transformational initiatives, implementing Business Strategies and driving Digital Transformation. Prior to joining our Company, he has led various transformational initiatives with companies like The Indian Hotels Company Limited. |
|------------------------|--|---|

| Nature of industry | | Hospitality / Real Estate Development |
|---|---|--|
| (2) Past remuneration | ₹ 26,316,701 for FY 2017-18 | ₹ 11,389,236 for FY 2017-18 |
| (3) Recognition or awards | -- | Recognition of excellence at CFO India Conference 2019. |
| (4) Job profile and his suitability | Considering his qualification, expertise and experience Mr. Sethi is suitable for duties and responsibilities to be discharged as Managing Director & CEO of the Company. | Considering his qualification, expertise and experience Mr. Newar is suitable for duties and responsibilities to be discharged as Executive Director & CFO of the Company. |
| (5) Remuneration proposed | As per Item No. 4 of the explanatory statement | As per Item No. 5 of the explanatory statement |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person | His remuneration package is commensurate with the remuneration paid to his counterparts in the industry. | His remuneration package is commensurate with the remuneration paid to his counterparts in the industry. |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | None | None |

III. Other information:

| | |
|---|--|
| (1) Reasons of loss or inadequate profits | During the year under review, the Company incurred an exchange loss due to currency fluctuations. |
| (2) Steps taken or proposed to be taken for improvement | Foreign Currency Borrowings have been substantially reduced from US\$ 75.85 million as at March 31, 2018 to US\$ 26.11 as at March 31, 2019. |
| (3) Expected increase in productivity and profits in measurable terms | Organic growth from the existing portfolio and commencement of invoicing for the retail and office tower at Sahar. |

By order of the Board of Directors
For Chalet Hotels Limited

Christabelle Baptista
Company Secretary
ACS No.: A17817

Place: Mumbai
Date: May 10, 2019

Annexure

Details of directors seeking re-appointment at the Annual General Meeting pursuant to the provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by The Institute of Company Secretaries of India and are provided herein below:

| Name of Director | Mr. Sanjay Sethi | Mr. Rajeev Newar |
|--|--|--|
| DIN | 00641243 | 00468125 |
| Type of Directorship | Managing Director & CEO | Executive Director & CFO |
| Date of Birth | 08 - January - 1965 | 23 - March - 1968 |
| Age | 54 years | 51 years |
| Date of first appointment on the Board (current term) | February 09, 2018 | August 03, 2017 |
| Qualifications | Diploma in Hotel Management, Catering and Nutrition from IHM Pusa | - B. Com (Hons.), University of Calcutta - Chartered Accountant - Company Secretary |
| Experience and Expertise in Specific Functional Areas | Mr. Sanjay Sethi is a hotel management graduate from IHM Pusa. He is a Certified Hotel Administrator (CHA) from American Hotel and Lodging Educational Institute and has completed various management certifications from IIM-Bangalore, XLRI and Cornell. He has over 30 years of experience with leading Indian hotel chains, and across segments, in the hospitality industry. Prior to joining Chalet Hotels Limited, Mr Sethi set up Berggruen Hotels Private Limited in 2006 as Promoter, CEO and MD along with Berggruen Holdings, New York. He has worked with ITC Limited as Chief Operating Officer for their Hotels Division and The Indian Hotels Company Limited as a General Manager to their hotel properties and Area Director for their Hyderabad hotels. He's an active member and speaker to key industry bodies and events such as FHRAI and HICSA. During his tenure in IHCL he was a trained and certified assessor of Tata Group Companies. | Mr. Newar has over 27 years of experience, wherein he has held several leadership positions in Finance leading various functional and cross functional transformational initiatives, implementing Business Strategies and driving Digital Transformation. Prior to joining our Company, he has led various transformational initiatives with companies like The Indian Hotels Company Limited. |
| Remuneration for the year 2018 - 19 | ₹ 32,837,240 (exclusive of ESOP expense of ₹ 14,639,977) | ₹ 19,101,464 (₹ 19.10 million) |
| Terms and conditions of appointment | As per the resolution at Item No. 4 of the Notice read with explanatory statement thereto. | As per the resolution at Item No. 5 of the Notice read with explanatory statement thereto. |
| Remuneration proposed to be paid | | |
| Number of Board Meetings attended during the year 2018-19 | 13 out of 13 | 13 out of 13 |
| Directorships of other Boards | Chalet Hotels and Properties (Kerala) Private Limited | Chalet Hotels and Properties (Kerala) Private Limited |
| Membership/Chairmanship of Committees of other Boards as on March 31, 2019 | None | None |
| Shareholding (as on March 31, 2019) | Nil* * 200000 Options in respect of 200000 Equity Shares have been granted. The options granted shall vest in tranches over a period of 3 (three) years, as per the Chalet Hotels Limited Employee Stock Option Plan 2018 | Nil |
| Relationship with other Directors/ Key Managerial Personnel | Not related to any Director/ Key Managerial Personnel | Not related to any Director/ Key Managerial Personnel |

By order of the Board of Directors
For Chalet Hotels Limited

Place: Mumbai
Date: May 10, 2019

Christabelle Baptista
Company Secretary
ACS No.: A17817

Route Map For AGM Venue

Boundary Hall, First Floor, MCA Recreation Center, RG-2, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
Landmark : Opposite ONGC Building

